

### REMARKS

In response to the amendments and remarks in this Supplemental Response and the Response filed October 31, 2007, reconsideration and allowance is requested.

#### Brief Summary of File History since last Office Action

Claims 8-15, 37-44, 66-73, and 88-90 were pending at the time of the Final Office Action mailed February 16, 2006, with claims 8-10, 12-14, 37-39, 41-43, 66-68, and 70-72 being independent. Claims 1-7, 16-36, 45-65, and 74-87 were previously canceled.

A Notice of Appeal, an Extension of Time, and a Pre-Brief Appeal Conference request were filed on June 16, 2006. A Pre-Brief Appeal Conference decision was mailed on December 21, 2006. An Appeal Brief was filed on March 19, 2007, and a corrected Appeal Brief was filed on May 15, 2007. An Examiner's Answer to the Appeal Brief was mailed on August 8, 2007. On October 31, 2007, a Request for Continued Examination (RCE) was filed, along with an Information Disclosure Statement (IDS), an Amendment Submitted with the filing of the RCE, and Remarks were made in the Amendment.

#### Claim Amendments made in October 31, 2007 Response

Claims 8-10, 12-15, 37-39, 41-43, 66-73, and 88-90 were amended in the Response filed October 31, 2007. Claims 91-100 were added in the Response filed October 31, 2007, with claim 97 being independent. As of the Response filed October 31, 2007, Claims 8-15, 37-44, 66-73, and 88-100 were pending, with claims 8-10, 12-14, 37-39, 41-43, 66-68, 70-72, and 97 being independent.

#### Amendments in Supplemental Response

In this Supplemental Response, claims 101-114 are added, with claims 105 and 111 being independent. Claim 71 is currently amended. The amendments in this supplemental response further place the application in condition for allowance. Hence, claims 8-15, 37-44, 66-73, and

88-114 are currently pending, with claims 8-10, 12-14, 37-39, 41-43, 66-68, 70-72, 97, 105, and 111 being independent. Applicant requests that all claims be allowed.

Amendments are currently being made to the specification to include paragraphs from an application that was incorporated by reference at the time of filing. In particular, page 13, paragraph 39 of the instant specification incorporated a co-pending application at the time of filing by stating that "Co-pending U.S. Patent Application No. 09/798,346, entitled 'High Precision Encoding and Decoding of Video Images' and assigned to the assignee of the present invention (which is hereby incorporated by reference), teaches various aspects of the use of the quantization parameter (QP) during compression." Also, paragraph 42 on pages 13-14 of the specification stated that "Further, the range of these differential chroma-biased QP values can be extended using the extended QP range function or lookup, as described in the 'High Precision Encoding and Decoding of Video Images' Patent Application referenced above." A copy of the incorporated material is being included with this supplemental response. Hence, U.S. Patent Application No. 09/798,346 has been properly incorporated by reference under 37 CFR 1.57.

Starting at page 14, paragraph [0040] of the current application, lines 4-24 on page 15 of co-pending U.S. Patent Application No. 09/798,346 are included in the instant specification. No new matter has been added. According to MPEP 2163.07(b), the information incorporated is as much a part of the application as filed as if the text was repeated in the application, and should be treated as part of the text of the application as filed. Replacing the identified material incorporated by reference with the actual text is not new matter. (MPEP 2163.07(b)).

### Conclusion

It is believed that all of the pending issues have been addressed. However, the absence of a reply to a specific rejection, objection, issue, or comment, including the Examiner's characterizations of the art, does not signify agreement with or concession of that rejection, issue, or comment. In addition, because the arguments made above may not be exhaustive, there may be reasons for patentability of any or all pending claims (or other claims) that have not been expressed. Finally, nothing in this paper should be construed as an intent to concede any issue

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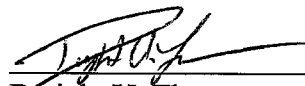
Attorney's Docket No.: 07314-013001

with regard to any claim, except as specifically stated in this paper, and the amendment or cancellation of any claim does not necessarily signify concession of unpatentability of the claim prior to its amendment or cancellation.

Please apply any charges or credits to Deposit Account No. 06-1050.

Respectfully submitted,

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